

EXECUTIVE SECRETARIAT

Routing Slip

TO:		ACTION	INFO	DATE	INITIAL
1	DCI				
2	DDCI				
3	EXDIR				
4	D/ICS				
5	DDI				
6	DDA				
7	DDO				
8	DDS&T				
9	Chm/NIC				
10	GC				
11	IG				
12	Compt				
13	D/EEO				
14	D/Pers				
15	D/OEA				
16	C/PAD/OEA				
17	SA/IA				
18	AO/DCI				
19	C/IPD/OIS				
20	NIO/ECON		✓		
21					
22					
SUSPENSE		Date			

Remarks:

Executive Secretary

9/24/82

Date

THE WHITE HOUSE
WASHINGTON

Executive Registry
82-12178

CABINET AFFAIRS STAFFING MEMORANDUM

DATE: 9-24-82 NUMBER: ----- DUE BY: -----

SUBJECT: CCEA Minutes - September 9, 1982

	ACTION	FYI		ACTION	FYI
ALL CABINET MEMBERS	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Baker	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Vice President	<input type="checkbox"/>	<input type="checkbox"/>	Deaver	<input type="checkbox"/>	<input type="checkbox"/>
State	<input type="checkbox"/>	<input type="checkbox"/>	Clark	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Treasury	<input type="checkbox"/>	<input type="checkbox"/>	Darman (<i>For WH Staffing</i>)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Defense	<input type="checkbox"/>	<input type="checkbox"/>	Harper	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Attorney General	<input type="checkbox"/>	<input type="checkbox"/>	Jenkins	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Interior	<input type="checkbox"/>	<input type="checkbox"/>	Wheeler	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Agriculture	<input type="checkbox"/>	<input type="checkbox"/>	Kudlow	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Commerce	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Labor	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
HHS	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
HUD	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Transportation	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Energy	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Education	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Counsellor	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
OMB	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
CIA	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
UN	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
USTR	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
CEA	<input type="checkbox"/>	<input checked="" type="checkbox"/>	CCCT/Gunn	<input type="checkbox"/>	<input checked="" type="checkbox"/>
CEQ	<input type="checkbox"/>	<input type="checkbox"/>	CCEA/Porter	<input type="checkbox"/>	<input checked="" type="checkbox"/>
OSTP	<input type="checkbox"/>	<input type="checkbox"/>	CCFA/Boggs	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	CCHR/Carleson	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	CCLP/Uhlmann	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	CCNRE/Boggs	<input type="checkbox"/>	<input type="checkbox"/>

REMARKS: Attached for your information are the minutes from the September 9 meeting of the CCEA.

RETURN TO:

☐ Craig L. Fuller
Assistant to the President
for Cabinet Affairs

☒ Becky Norton Dunlop
Director, Office of
Cabinet Affairs

MINUTES
CABINET COUNCIL ON ECONOMIC AFFAIRS

September 9, 1982
8:45 a.m.
Roosevelt Room

Attendees: The Vice President, Messrs. Regan, Baldrige, Donovan, Schweiker, Pierce, Lewis, Edwards, Stockman, Feldstein, Harper, Porter, Lyng, Macdonald, Ikle, Darman, Williamson, Wright, Kudlow, McCormack, Keel, Leland, Garrett, Nau, Martin, Ernst, Cribb, Cicconi, Platt, and Denend, and Ms. Dunlop.

1. Report on the World Bank and IMF Meetings

Secretary Regan reviewed the recent World Bank and IMF meetings held in Toronto. He noted that the atmosphere in general at the meetings has been gloomy, and reported on the following topics:

1. Mexico - Mexico's liquidity crisis remains unsolved. U.S. actions have served to stabilize the situation for the very short-run. The long-run prescription includes reduced spending and a net trade balance improvement.
2. Other LDC Debt Problems - The impact of reduced inflation and lower commodity prices has had a significant effect on LDC economies, especially those depending on a single commodity for foreign exchange earnings. The oil exporting countries expecting higher prices have also been hard hit. Argentina's situation is aggravated by its impasse with the United Kingdom; Brazil continues to require large annual increases in net borrowing; and even Cuba has asked to reschedule its debts.
3. Multilateral Cooperation - In general, the agreement reached at Versailles to work toward converging macro-economic policies has been implemented to a considerable degree. The notable exception is France. Finance ministers will continue this dialogue.
4. IMF - The U.S. has resisted calls for increases in the quotas of up to 250 percent. Negotiations will continue. The U.S. has maintained that a roughly 25 percent increase is adequate. The CCEA will review any proposed resolution in these negotiations.

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5. IDA - The U.S. stretchout to 1984 of its contribution to the sixth IDA replenishment has resulted in a special proposal for that year. Because the U.S. will be completing a prior commitment in 1984, the other donors have suggested that new contributions from other donors in 1984 be placed in a special fund which can only be spent in the donor countries.

The entry of China poses new problems for IDA. In light of China's borrowing demands, the World Bank has suggested an unrealistically high level in the seventh IDA replenishment. We appear to be a long way from consensus on the size and timing of any seventh replenishment.

The Cabinet Council discussed the effectiveness of World Bank programs in furthering U.S. objectives. A review early in the Administration concluded that the multilateral development banks promote stability, further economic development, and allow the U.S. to leverage its contributions with those of other nations.

The Council also discussed the off-budget impact of U.S. IMF quotas and the international liquidity creating potential of IMF loan activities.

The Council requested that a paper be prepared reviewing the budget implications of U.S. contributions to the IMF and the international liquidity creating effects of IMF loan activities.

2. Mid-term Planning Exercise

The Council reviewed a paper prepared by the CCEA Secretariat on administration objectives, accomplishments and key issues for the CCEA during the remainder of the President's first term.

Mr. Porter's presentation focused on the basic objectives. He noted that an effort had been made to keep the paper short without numerous statistical references and focused on major themes and issues. The objectives are in two major groups: the four "pillars" of the President's macroeconomic policy; and statements related to specific sectors of the economy or challenges such as financial institution reform, structural unemployment, pension reform, housing, etc.

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The Council's discussion centered on the scope of appropriate CCEA objectives, including strong support for an objective on housing, the goals of the planning exercise, and the importance of establishing priorities among the objectives and remaining key issues.

Mr. Harper expanded on the purpose of the planning exercise, noting that it is an essential part of fulfilling the President's 1980 election mandate. The Administration entered office with a series of objectives, and it is important to review these objectives at the mid-term. The accomplishments lend perspective to the exercise and measure progress toward achieving the objectives. The key issues describe what needs to be done in the remaining time and focus on areas for possible new initiatives.

The Chairman Pro Tempore directed the Secretariat to refine its current paper. He added that a further CCEA discussion of the planning exercise should take place before meeting with the President.